

**Sarasota Family Young Men's  
Christian Association, Inc.**

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**INDEPENDENT AUDITORS' REPORT,  
FINANCIAL STATEMENTS,  
SUPPLEMENTAL INFORMATION,  
AND CONTRACT COMPLIANCE**

**JUNE 30, 2009 AND 2008**

## **Sarasota Family Young Men's Christian Association, Inc.**

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## INDEPENDENT AUDITORS' REPORT

The Board of Directors  
Sarasota Family Young Men's Christian Association, Inc.

We have audited the accompanying statements of financial position of Sarasota Family Young Men's Christian Association, Inc., a nonprofit organization, as of June 30, 2009 and 2008, and the related statements of activities, cash flows and functional expenses for the years then ended. These financial statements are the responsibility of Sarasota Family Young Men's Christian Association, Inc.'s management. Our responsibility is to express an opinion on these financial statements based on our audits. We did not audit the financial statements of the YMCA Foundation of Sarasota, Inc., whose net assets in the amount of \$8,013,370 and \$12,786,169 and a decrease in net assets in the amount of \$4,772,799 and \$979,209 as of and for the years ended June 30, 2009 and 2008, respectively, are included in these financial statements. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the YMCA Foundation of Sarasota, Inc., is based solely on the report of the other auditors.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organization's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits and the reports of other auditors provide a reasonable basis for our opinion.

In our opinion, based on our audits and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the financial position of Sarasota Family Young Men's Christian Association, Inc. as of June 30, 2009 and 2008 and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 6, 2009 on our consideration of Sarasota Family Young Men's Christian Association, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audits.

Our audits were performed for the purpose of forming an opinion on the basic financial statements of Sarasota Family Young Men's Christian Association, Inc. taken as a whole. The accompanying schedule of expenditures of federal awards and state financial assistance as required by U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the provisions of the Florida Single Audit Act in accordance with Chapter 98-91 of the Laws of Florida and Section 215.97 of the Florida Statutes, the schedule of subrecipient activity, and the schedule of federal awards and state financial assistance expenditures by grant/contract number are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

*Kerkering Barberio & Co*

Sarasota, Florida  
November 6, 2009

# **SARASOTA FAMILY YOUNG MEN'S CHRISTIAN ASSOCIATION, INC.**

## **STATEMENTS OF FINANCIAL POSITION**

**JUNE 30, 2009 AND 2008**

<b>Assets</b>	<b>2009</b>	<b>2008</b>
Cash and cash equivalents (Note 3)	\$ 3,593,062	\$ 4,424,286
Certificates of deposit (Note 4)	-	344,099
Accounts receivable, net (Note 5)	177,369	193,996
Contracts receivable (Note 6)	309,738	916,569
Note receivable, net (Note 7)	200,000	900,000
Other assets (Note 8)	490,226	452,504
Investments - other (Note 9)	498,774	949,782
Land, buildings and equipment, net (Note 10)	18,727,116	20,102,362
Beneficial interest in the net assets of YMCA Foundation of Sarasota, Inc. (Note 11)	8,013,370	12,786,169
<b>Total Assets</b>	<b>\$ 32,009,655</b>	<b>\$ 41,069,767</b>
<b>Liabilities and Net Assets</b>		
<b>Liabilities</b>		
Accounts payable	\$ 932,419	\$ 3,193,379
Accrued expenses	1,165,324	1,414,187
Deferred revenue and government contracts (Note 17)	2,287,309	1,736,707
Capital lease obligations payable (Note 13)	178,362	488,021
Notes payable (Note 14)	212,452	740,376
Bonds payable (Note 15)	6,425,000	6,755,000
Custodial liabilities (Note 16)	100,936	332,926
Interest rate swap (Note 15)	1,048,869	903,097
<b>Total liabilities</b>	<b>12,350,671</b>	<b>15,563,693</b>
<b>Net Assets</b>		
Unrestricted		
Undesignated	11,555,999	13,331,221
Beneficial interest in the unrestricted net assets of YMCA Foundation of Sarasota, Inc.	7,012,480	11,585,639
Prior-period adjustment (Note 29)	-	(683,344)
<b>Total unrestricted</b>	<b>18,568,479</b>	<b>24,233,516</b>
Temporarily restricted (Note 19)		
Temporarily restricted net assets	89,615	72,028
Beneficial interest in the temporarily restricted net assets of YMCA Foundation of Sarasota, Inc.	718,780	918,420
<b>Total temporarily restricted</b>	<b>808,395</b>	<b>990,448</b>
Permanently restricted (Note 20)		
Beneficial interest in the permanently restricted net assets of YMCA Foundation of Sarasota, Inc.	282,110	282,110
<b>Total permanently restricted</b>	<b>282,110</b>	<b>282,110</b>
<b>Total net assets</b>	<b>19,658,984</b>	<b>25,506,074</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 32,009,655</b>	<b>\$ 41,069,767</b>

The accompanying notes are an integral  
part of these financial statements.

**SARASOTA FAMILY YOUNG MEN'S CHRISTIAN ASSOCIATION, INC.**

**STATEMENTS OF ACTIVITIES**  
**YEARS ENDED JUNE 30, 2009 AND 2008**

	2009	2008
<b>UNRESTRICTED NET ASSETS</b>		
Contracts and government grants	\$ 27,186,972	\$ 79,820,346
Membership dues, net of discounts of \$365,879 and \$386,000, respectively	7,749,923	8,059,479
Program fees, net of discounts of \$178,571 and \$183,007, respectively	3,499,150	3,813,886
YMCA Foundation of Sarasota, Inc. grants	2,278,880	1,050,923
United Way grants	189,156	189,722
Sales of supplies and services, net of cost of sales of \$74,146 and \$84,925, respectively	50,695	44,228
Other revenue	64,943	-
Net assets released from restrictions	64,860	258,781
Total revenue, support and releases	<u>41,084,579</u>	<u>93,237,365</u>
Functional Expenses		
Program services		
Youth & Family Services	5,199,458	7,303,782
Educational Outreach Services	1,931,191	2,669,508
Child Welfare/Foster Care	21,510,972	72,383,713
Health Enhancement, Child Care and Youth & Family Services	10,784,576	10,806,619
Total program services	39,426,197	93,163,622
Management and General	2,525,025	2,756,458
Fund-raising	153,777	192,291
Total functional expenses	<u>42,104,999</u>	<u>96,112,371</u>
Non-Operating Activities		
Contributions, net of related expenses	348,479	325,521
In-kind contributions	222,583	1,041,614
Interest income	22,456	150,722
Change in the beneficial interest in net assets of YMCA Foundation of Sarasota, Inc.	(4,573,159)	(651,234)
Gain (loss) on disposal of assets	50,219	(263,832)
Equity in gains (losses) of investment in partnership	(497,092)	98,970
Income tax expense	(72,331)	(13,202)
Total non-operating activities	<u>(4,498,845)</u>	<u>688,559</u>
Decrease in unrestricted net assets before the change in value of interest rate swap	<u>(5,519,265)</u>	<u>(2,186,447)</u>
Change in value of interest rate swap	<u>(145,772)</u>	<u>(219,753)</u>
Decrease in unrestricted net assets	<u>(5,665,037)</u>	<u>(2,406,200)</u>
<b>TEMPORARILY RESTRICTED NET ASSETS</b>		
YMCA Foundation of Sarasota, Inc. grants	30,830	8,549
Contributions	51,617	28,379
Change in the beneficial interest in net assets of YMCA Foundation of Sarasota, Inc.	(199,640)	(432,325)
Net assets released from restrictions	(64,860)	(258,781)
Decrease in temporarily restricted net assets	<u>(182,053)</u>	<u>(654,178)</u>
<b>PERMANENTLY RESTRICTED NET ASSETS</b>		
Change in the beneficial interest in net assets of YMCA Foundation of Sarasota, Inc.	-	104,350
Increase in permanently restricted net assets	-	104,350
Decrease in net assets	<u>(5,847,090)</u>	<u>(2,956,028)</u>
Net assets at the beginning of year	<u>25,506,074</u>	<u>29,145,446</u>
Net assets at the end of year	<u>\$ 19,658,984</u>	<u>\$ 26,189,418</u>

The accompanying notes are an integral part of these financial statements.

# **SARASOTA FAMILY YOUNG MEN'S CHRISTIAN ASSOCIATION, INC.**

## **STATEMENTS OF CASH FLOWS**

**YEARS ENDED JUNE 30, 2009 AND 2008**

	<u>2009</u>	<u>2008</u>
<b>Cash Flows from Operating Activities</b>		
Decrease in net assets	\$ (5,847,090)	\$ (2,956,028)
Adjustments to reconcile decrease in net assets to net cash provided by (used in) operating activities		
Depreciation and amortization	1,852,070	2,153,944
(Gain) loss on disposal of assets	(50,219)	263,832
Beneficial interest in net assets of YMCA Foundation of Sarasota, Inc.	4,772,799	979,209
Equity in (gains) losses of investment in partnership	497,092	(98,970)
Bad debt expense	31,466	228,447
Change in value of interest rate swap	145,772	219,753
(Increase) decrease in operating assets		
Accounts and contracts receivable	591,992	(71,782)
Note receivable	700,000	-
Other assets	(45,789)	138,710
Increase (decrease) in operating liabilities		
Accounts payable	(2,260,960)	(380,279)
Accrued expenses	(248,863)	(559,852)
Deferred revenue and government contracts	550,602	(450,091)
Custodial liabilities	(231,990)	(346,498)
Total adjustments	<u>6,303,972</u>	<u>2,076,423</u>
Net cash provided by (used in) operating activities	<u>456,882</u>	<u>(879,605)</u>
<b>Cash Flows from Investing Activities</b>		
Purchases of land, buildings and equipment	(415,008)	(583,107)
Proceeds from sale of assets	86,343	19,970
Purchases of certificates of deposit	-	(497,792)
Proceeds from redemption of certificates of deposit	344,099	1,216,370
Purchase of investment in partnership	(46,084)	-
Net cash provided by (used in) in investing activities	<u>(30,650)</u>	<u>155,441</u>
<b>Cash Flows from Financing Activities</b>		
Principal payments of bonds payable	(330,000)	(320,000)
Principal payments on notes payable and capital lease obligations payable	(1,127,456)	(683,570)
Proceeds from note payable	200,000	-
Net cash used in financing activities	<u>(1,257,456)</u>	<u>(1,003,570)</u>
Decrease in cash	(831,224)	(1,727,734)
Cash - beginning of year	<u>4,424,286</u>	<u>6,152,020</u>
Cash - end of year	<u>\$ 3,593,062</u>	<u>\$ 4,424,286</u>
Supplemental disclosure of cash flow information:		
Cash paid for interest	<u>\$ 418,213</u>	<u>\$ 526,153</u>

Material non-cash transactions not reflected in the statements of cash flows include:

Building improvement and purchases of other assets through financing or capital leases totaling \$89,873 and \$0 in 2009 and 2008, respectively.

In-kind contributions of \$222,583 and \$1,041,614 in 2009 and 2008, respectively.

The accompanying notes are an integral part of these financial statements.

**SARASOTA FAMILY YOUNG MEN'S CHRISTIAN ASSOCIATION, INC.**

**STATEMENT OF FUNCTIONAL EXPENSES**

**YEAR ENDED JUNE 30, 2009**

**(WITH SUMMARIZED INFORMATION FOR THE YEAR ENDED JUNE 30, 2008)**

	Youth & Family Services	Educational Outreach Services	Child Welfare/ Foster Care	Health Enhancement	Total Program Services	Supporting Services		2008 Total
						Management and General	Fund- Raising	Total
Subcontracted services	\$ 7,363,983	\$ 1,913,860	\$ 7,363,983	\$ 1,913,860	\$ 7,363,983	\$ 7,363,983	\$ 7,363,983	\$ 23,384,525
Residential services								\$ 1,913,860
Foster parent, adoption and independent living subsidiaries			5,808,863		5,808,863			5,808,863
Client services	2,708		742,027		744,735			744,735
Youth scholarships		64,800		1,407	66,207			66,207
Salaries	3,256,867	1,147,718	2,685,353	5,052,425	12,142,363	1,148,848	116,970	13,408,181
Employee benefits and payroll taxes	797,104	261,728	722,093	1,001,785	2,782,710	213,525	25,697	3,021,932
Professional services	20,689		75,745	3,360	99,794	124,961		224,755
Supplies	251,729	183,272	128,439	616,142	1,179,582	58,636	726	1,238,944
Telephone and networking	57,365	26,475	97,414	95,148	276,402	29,927	614	306,943
Postage and shipping	5,445	1,690	60,144	23,065	90,344	4,657	17	95,018
Occupancy	265,038	90,475	1,120,045	1,394,309	2,869,867	311,508	5,965	3,187,340
Repairs and maintenance	77,730	17,987	109,532	193,145	398,394	46,362		444,756
Community relations	135	2,743	344	55,762	58,984	13,474		72,458
In-kind contribution expense			196,316		196,316	6,383		202,699
Travel and client transportation	12,690	16,815	99,583	45,940	175,028	2,479		177,507
Staff development and conferences	14,551	15,100	18,247	64,103	112,001	42,016	40	154,057
Dues and licenses	11,253	19,016	16,306	119,687	166,262	4,768	836	171,866
General insurance	132,411	45,618	93,405	355,147	626,581	51,611		678,192
Credit card and bank charges			8,651	179,372	188,023	19,515		207,538
Miscellaneous	103	45	408	416	972	255,858		256,830
Bad debts	710	(5,810)	934	32,807	28,641	2,775	50	31,466
Total functional expenses before depreciation, amortization, interest and bond fees	4,906,528	1,887,672	21,261,692	9,234,020	37,289,912	2,337,303	150,915	39,778,130
Depreciation and amortization	289,585	43,272	248,204	1,250,407	1,831,468	17,740	2,862	1,852,070
Interest	3,345	247	1,076	13,033	17,701	40,987		58,688
Bond interest				287,116	287,116	77,966		365,082
Bond bank fees						51,029		51,029
Total functional expenses	\$ 5,199,458	\$ 1,931,191	\$ 21,510,972	\$ 10,784,576	\$ 39,426,197	\$ 2,525,025	\$ 153,777	\$ 42,104,999
								\$ 96,112,371

The accompanying notes are an integral part of these financial statements.

**SARASOTA FAMILY YOUNG MEN'S CHRISTIAN ASSOCIATION, INC.**

**STATEMENT OF FUNCTIONAL EXPENSES**

**YEAR ENDED JUNE 30, 2008**

**(WITH SUMMARIZED INFORMATION FOR THE YEAR ENDED JUNE 30, 2009)**

	Youth & Family Services	Educational Outreach Services	Child Welfare/ Foster Care	Health Enhancement	Total Program Services	Supporting Services			2009
	\$	\$	\$	\$	\$	Management and General	Fund- Raising	\$	Total
Subcontracted services									
Residential services		138	\$ 23,384,387		\$ 23,384,525			\$ 23,384,525	\$ 7,363,983
Foster parent, adoption and independent living subsidiaries			\$ 14,715,257		\$ 14,715,257			\$ 14,715,257	\$ 1,913,860
Client services	98,724			17,928,746		17,928,746			17,928,746
Youth scholarships	1,000	51,000		2,175,392		2,274,116			2,274,116
Salaries	4,645,259	1,582,762	7,057,177		5,164,355	18,449,553	1,454,202	141,345	20,045,100
Employee benefits and payroll taxes	961,667	303,928	1,495,841		911,820	3,673,256	227,000	27,484	3,927,740
Professional services	57,023	502	193,493		4,598	255,616	154,178	125	409,919
Supplies	449,897	237,478	397,739		585,490	1,670,604	42,486	20	1,713,110
Telephone and networking	77,989	28,960	233,783		81,619	422,351	37,725	1,214	461,290
Postage and shipping	7,173	1,824	160,726		16,585	186,308	10,691	365	197,364
Occupancy	292,057	118,570	2,455,175		1,403,858	4,269,660	362,288	5,598	4,637,546
Repairs and maintenance	108,254	19,769	236,938		160,206	525,167	46,274	522	571,963
Community relations	3,441	17,776	8,458		61,508	91,183	31,493	4,574	127,250
In-kind contribution expense	100,234		849,580			949,814	19,727		969,541
Travel and client transportation	24,122	23,575	285,988		69,586	403,271	4,421	491	408,183
Staff development and conferences	35,766	25,954	72,386		61,181	195,287	41,986	4,665	241,938
Dues and licenses	14,023	22,610	20,115		118,885	175,633	6,395	670	182,698
General insurance	128,829	46,243	208,212		231,595	614,879	48,605	2,722	666,206
Credit card and bank charges	8	798	13,022		181,679	195,507	22,012		217,519
Miscellaneous	4,074	1,191	228		4,095	9,588	6,004		15,592
Bad debts			8,761		85,071	228,367		80	228,447
Total functional expenses before depreciation, amortization, interest and bond fees	7,009,540	2,617,613	71,901,404		9,142,131	90,670,688	2,515,487	189,875	93,376,050
Depreciation and amortization	264,413	50,842	476,834		1,337,819	2,129,908	21,620	2,416	2,153,944
Interest	29,829	1,053	5,475		24,419	60,776	93,071		153,847
Bond interest					302,250	302,250	82,075		384,325
Bond bank fees							44,205		44,205
Total functional expenses	\$ 7,303,782	\$ 2,669,508	\$ 72,383,713	\$ 10,806,619	\$ 93,163,622	\$ 2,756,458	\$ 192,291	\$ 96,112,371	\$ 42,104,999

The accompanying notes are an integral  
part of these financial statements.

# **Sarasota Family Young Men's Christian Association, Inc.**

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## **Notes to Financial Statements** **June 30, 2009 and 2008**

### **Note I - Description of Organization**

The Sarasota Family Young Men's Christian Association, Inc. (YMCA), established in 1945, provided various programs and services in three counties and six counties, respectively, during the fiscal years ended June 30, 2009 and 2008. The financial statements and notes are representations of the YMCA's management who is responsible for their integrity and objectivity. The accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements. The Mission Statement of the Sarasota Family Young Men's Christian Association, Inc. is, "We build strong kids, strong families, strong communities."

The major program areas of the YMCA include:

**Youth & Family Services** - The YMCA Family Management Services provide family counseling and consultation on a non-residential basis, directed at preventing youth from running away, being truant or becoming ungovernable. Residential services are provided through the Youth Shelter for runaway youth ages 10 through 17, and the Transitional Living Program for homeless youth ages 16 through 21 and their infants. Character House is a residential juvenile justice commitment facility for females ages 12 to 18 and their newborn infants. Both the Character House and Transitional Living programs ceased operations during 2009. The YMCA TRIAD Alternative Schools provide academic, vocational and behavioral skills to expelled youth in collaboration with the Department of Juvenile Justice and the Sarasota County school system. The School House Link coordinates educational services for homeless youth in Sarasota County. The Community Youth Development Project, through a coalition of local youth service agencies, delivers pro-social teen activities aimed at reducing the use of alcohol, tobacco, and other drugs. The YMCA provided residential services for children in foster care through its Kalish House for adolescent males ages 9 through 17, Bowman Ranch for adolescent females ages 9 through 17 and continues to provide services at Grammy's House for children toddler age through 9 years of age.

**Educational Outreach Services** - Operation Graduation is a continuum of educational outreach programs serving children from preschool to high school seniors. Programs include the Home Instruction for Parents for Preschool Youngsters (HIPPY), a home-based educational program in which YMCA Parent Educators teach parents and other guardians to prepare their children for school; YMCA Reads!, a mentoring and literacy program for first and second graders which emphasizes reading and comprehensive skill development; and Y Achievers for middle and high school students to enhance academic achievement. The YMCA provided a preschool program at the University of South Florida, Sarasota-Manatee Campus. The YMCA provides after-school programs in Sarasota County elementary schools and within the Hardee County Family YMCA Branch.

# **Sarasota Family Young Men's Christian Association, Inc.**

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## **Notes to Financial Statements (Continued)** **June 30, 2009 and 2008**

### **Note 1 - Description of Organization (Continued)**

**Child Welfare/Foster Care** - In 1997, the YMCA led the Governor's privatization efforts for Child Welfare/Foster Care in Sarasota County. The YMCA provided its Child Welfare/Foster Care Program in three counties in the year ended June 30, 2009 and five counties in the year ended June 30, 2008. The YMCA ceased to provide programs in Pasco and Pinellas Counties at the end of the 2008 fiscal year. The Child Welfare/Foster Care Program provides the following services: diversion, intervention, child and family assessment, case management through sub-contracts with local agencies, family preservation, parent training and support groups, out of home placement, reunification and adoptions.

**Health Enhancement** - The YMCA maintains four traditional health enhancement facilities, three in Sarasota County and one in Hardee County. Collectively, these facilities provide a full range of fitness/cardio vascular training, specialty aerobic classes, youth and adult basketball, racquetball, soccer, aquatic classes, swim teams, gymnastic classes and teams, therapy programs, Y Guides, youth leadership and teen activities. Summer camp for elementary school age children is also provided in Sarasota and Hardee counties.

### **Note 2 - Summary of Significant Accounting Policies**

**Revenue Recognition** - The accounting and reporting policies of the YMCA comply with the accounting and reporting provisions of the American Institute of Certified Public Accountants. Net assets and public support, revenue and gains are classified based on the existence or absence of donor-imposed restrictions. When the purpose of the restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Accordingly, net assets and changes therein are classified as follows:

Unrestricted Net Assets are utilized to account for public support and program revenues that are unrestricted in nature. Donor restricted contributions whose restrictions are met in the year of contribution are reported as unrestricted support.

Temporarily Restricted Net Assets are utilized to account for contributions that are donor restricted for uses which have not yet been fulfilled either by time or purpose. Net assets restricted for construction of buildings are considered temporarily restricted until the YMCA places the asset in service.

Permanently Restricted Net Assets represent donor-restricted endowments whereby the use of principal is prohibited. The income generated by these endowments may be unrestricted or designated for a specific program by the donor.

**Use of Estimates** - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

# **Sarasota Family Young Men's Christian Association, Inc.**

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## **Notes to Financial Statements (Continued)**

**June 30, 2009 and 2008**

### **Note 2 - Summary of Significant Accounting Policies (Continued)**

**Donated Materials and Services** - Donated property and equipment and in-kind contributions for use by the YMCA are capitalized at the fair value at the time of receipt. The YMCA has recorded the revenue and expense relating to services donated by attorneys, architects and contractors. The value of these services, property and equipment recorded in the accompanying financial statements amounted to \$222,583 and \$1,041,614 for the years ended June 30, 2009 and 2008, respectively.

A substantial number of unpaid volunteers have made significant contributions of their time to support the programs of the YMCA. The estimated value of these donated services has not been recorded in the accompanying financial statements.

**Functional Allocation of Expenses** - The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services that benefited.

**Reclassifications** - To facilitate comparison of financial data, certain amounts in the 2008 financial statements have been reclassified to conform to the 2009 reporting presentation. Such reclassifications had no effect on the decrease in net assets previously reported.

**Income Taxes** - The YMCA has been recognized by the Internal Revenue Service as tax-exempt under Section 501(c)(3) of the Internal Revenue Code of 1986.

For the year ended June 30, 2009, the investment in the Y Associates limited partnership (see Note 9) resulted in an equity loss. In addition, the YMCA received interest income subject to income tax. The YMCA incurred \$60,234 of current Federal income tax expense and State income tax expense of \$12,097.

For the year ended June 30, 2008, the investment in the Y Associates limited partnership (see Note 9) resulted in an equity gain. The YMCA incurred \$10,145 of current Federal income tax expense and State income tax expense of \$3,057.

**Subsequent Events** - The YMCA has evaluated subsequent events through November 6, 2009, the date the financial statements were available to be issued.

**Financial Instruments Not Measured at Fair-Value** - The YMCA's financial instruments that are not measured at fair value on a recurring basis but are recorded at amounts that approximate fair value due to their liquid or short-term nature includes cash and cash equivalents, accounts receivable, contracts receivable, other assets, accounts payable, accrued expenses, deferred revenue and government contracts as of June 30, 2009.

# **Sarasota Family Young Men's Christian Association, Inc.**

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## **Notes to Financial Statements (Continued)**

**June 30, 2009 and 2008**

### **Note 2 - Summary of Significant Accounting Policies (Continued)**

**Postemployment Benefits** - Statement of Financial Accounting Standards No. 112, Employers' Accounting for Postemployment Benefits, requires employers to recognize an obligation for benefits provided to former employees after employment but before retirement. The YMCA provides unemployment benefits to former employees. It is not practicable for the YMCA to reasonably estimate the amount of its obligation for unemployment benefits incurred but not yet reported; accordingly, no such liability for postemployment benefits has been recorded in the accompanying financial statements. The YMCA's policy is to recognize the costs of such postemployment benefits when invoiced by the state administrator.

### **Note 3 - Cash and Cash Equivalents**

Cash consists of various checking and money market accounts. Cash equivalents are short-term, highly liquid investments with original maturities of three months or less, except for investments to be applied to specific purposes that are included in the YMCA's long-term investment strategies. Due to the timing of receipts from its various funding sources, the YMCA may periodically have cash balances with any one financial institution exceeding the FDIC insured amount. Management makes every effort to maintain accounts with various financial institutions to minimize the occurrence of this situation.

The YMCA is a fiscal agent for certain funding sources. Funds are received and payments are distributed to program participants based upon requirements established by the funding sources. The YMCA maintains separate bank accounts for the cash received on behalf of the program participants and records the related custodial liability.

Restricted cash for federal grants and other purposes at June 30, 2009 and 2008 amounted to \$2,477,832 and \$2,138,011, respectively.

### **Note 4 - Certificates of Deposit**

Certificates of deposit, presented at cost, which approximates fair market value at June 30, 2009 and 2008, amounted to \$0 and \$344,099, respectively.

### **Note 5 - Accounts Receivable**

Accounts receivable consist of child care program fees, gymnastics and swim team fees and other receivables. Accounts receivable are stated net of an allowance for uncollectible accounts of \$12,504 and \$51,498 at June 30, 2009 and 2008, respectively. The allowance is approximately 7% and 27%, respectively, of accounts receivables and is based on historical collections. Management reviews accounts quarterly and writes off individual accounts that are deemed uncollectible.

# **Sarasota Family Young Men's Christian Association, Inc.**

## **Notes to Financial Statements (Continued)**

**June 30, 2009 and 2008**

### **Note 5 - Accounts Receivable (Continued)**

Accounts receivable at June 30, 2009 and 2008 includes a receivable from the YMCA Foundation of Sarasota, Inc. in the amount of \$79,469 and \$78,039, respectively, which represents grants and reimbursable expenses. No allowance has been recorded against these amounts as management deems this balance fully collectible.

### **Note 6 - Contracts Receivable**

Contracts receivable represent funds due from federal, state and local government agencies for YMCA social service programs including Educational Outreach Services, Youth and Family Services and Child Welfare/Foster Care. Management considers contracts receivable to be fully collectible.

### **Note 7 - Note Receivable**

On September 12, 2005, the YMCA sold a building for \$1,305,000 and received a promissory note for \$1,005,000 related to the sale. The note bears interest at 6.5% for the first year, 7.0% for the second year, and 7.5% for the third and final year of the term of the note. The note requires interest only payments to be made during the term of the note, with the outstanding principal balance due and payable in full on September 12, 2008. The note is secured by the building and related real property. On August 11, 2008, management finalized the note and accepted a settlement of \$900,000 and created an allowance for doubtful accounts of \$105,000 for the uncollected portion as of June 30, 2008. During the year ended June 30, 2009, the note receivable was paid in full.

On April 27, 2009, the YMCA entered into a promissory note with a related party in the amount of \$200,000. The note bears a fixed interest rate of 6.0% per annum. Interest shall be due in arrears on the first day of each month for six months, the first payment due on June 1, 2009. Commencing on December 1, 2009 principal and interest on the note shall be due in equal monthly installments of \$1,433, on the first day of every month until May 1, 2019, on which date the remaining unpaid principal balance, together with all accrued but unpaid interest, shall be due.

Note receivable amounts expected to be collected consist of the following as of June 30:

2010	\$	3,076
2011		5,529
2012		5,870
2013		6,232
2014		6,617
Thereafter		172,676
	\$	200,000

Interest income on the note receivable totaled \$1,099 for the year ended June 30, 2009.

# **Sarasota Family Young Men's Christian Association, Inc.**

## **Notes to Financial Statements (Continued)** **June 30, 2009 and 2008**

### **Note 8 - Other Assets**

Other assets include deposits, loan costs (net of accumulated amortization), memberships, prepaid expenses and inventory of YMCA clothing items, racquetball and aquatics related merchandise, stated at the lower of cost (first-in, first-out method) or market (net realizable value).

### **Note 9 - Investments - Other**

The YMCA owns a 41.5% interest in Y Associates, a limited partnership. The YMCA accounts for its investment using the equity method. During the years ended June 30, 2009 and 2008, the YMCA did not receive any distributions. The balance in Y Associates at June 30, 2009 and 2008 was \$452,690 and \$949,782, respectively.

The YMCA paid rent for office space to the Y Associates in the amount of \$374,183 and \$486,160 for the years ended June 30, 2009 and 2008, respectively.

During the year ended June 30, 2009 the YMCA entered into an agreement to become a limited partner member of the Community Based Care Partnership, Ltd. (the Partnership). The purpose of the Partnership is to cover medical expenses in the event the costs are in excess of Medicare payments. Investment in the Partnership totaled \$46,084 for the year ended June 30, 2009.

As of June 30, 2009 and 2008 investments totaled \$498,774 and \$949,782, respectively.

### **Note 10 - Land, Buildings and Equipment**

Land, buildings and equipment consist of the following as of June 30:

	<b>2009</b>	<b>2008</b>
Land	\$ 1,541,331	\$ 1,541,331
Land – Department of Juvenile Justice	125,000	125,000
Buildings	23,309,187	23,110,927
Building – Department of Juvenile Justice	25,000	25,000
Equipment	2,141,675	1,745,275
Furniture and fixtures	3,048,590	2,836,453
Vehicles	440,036	625,809
Equipment under capital lease agreements	1,202,798	1,750,561
Leasehold improvements	1,975,468	1,972,982
Art	18,600	18,600
	<u>33,827,685</u>	<u>33,751,938</u>
Less accumulated depreciation and amortization	(15,100,569)	(13,649,576)
	<u>\$ 18,727,116</u>	<u>\$ 20,102,362</u>

# **Sarasota Family Young Men's Christian Association, Inc.**

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## **Notes to Financial Statements (Continued)**

**June 30, 2009 and 2008**

### **Note 10 - Land, Buildings and Equipment (Continued)**

The YMCA capitalizes computer software and other assets exceeding \$1,000 and \$2,000, respectively. Depreciation is provided using the straight-line method over the estimated useful lives of the assets, which range from 3 to 15 years for equipment, furniture and fixtures, vehicles and art, and from 10 to 30 years for the buildings and improvements. Equipment under capital lease agreements is amortized using the straight-line method over the life of the lease with net book value of \$172,912 and \$485,065 for the years ended June 30, 2009 and 2008, respectively.

Leasehold improvements are being amortized over the lesser of the lease term or the estimated useful lives of the assets. Land, buildings and equipment are recorded at cost, or if donated, at the fair market value at the time of receipt.

The Department of Juvenile Justice awarded funds towards the purchase of a building and the related building improvements. In addition, equipment has been purchased with funds received from other governmental agencies. Title to these assets acquired with government agency funds vests with the YMCA as long as the YMCA has a contract with the agencies. In accordance with contract provisions, the YMCA has segregated and identified this property and equipment. Upon contract termination, the building, building improvements and equipment revert to the respective agencies in accordance with their proportional interest. As of June 30, 2009 and 2008, government funded assets had a total net book value of \$394,294 and \$589,335, respectively.

### **Note 11 - Beneficial Interest in the Net Assets of YMCA Foundation of Sarasota, Inc.**

The YMCA adopted FAS 136, "Transfer of Assets to a Not-for-Profit Organization or Charitable Trust That Raises or Holds Contributions for Other". FAS 136 establishes standards for transactions in which a donor makes a contribution to a not-for-profit organization (recipient) that agrees to transfer those assets to another entity (beneficiary).

Pursuant to FAS 136, the YMCA recognizes its beneficial interest in the net assets of the YMCA Foundation of Sarasota, Inc.

### **Note 12 - Tax Deferred Annuity Plan**

The YMCA participates in The YMCA Retirement Fund Retirement Plan which is a defined contribution, money purchase, church plan that is intended to satisfy the qualification requirements of Section 401(a) of the Internal Revenue Code of 1986, as amended and The YMCA Retirement Fund Tax-Deferred Savings Plan which is a retirement income account plan as defined in section 403(b)(9) of the code. Both plans are sponsored by The Young Men's Christian Association Retirement Fund (Fund).

# **Sarasota Family Young Men's Christian Association, Inc.**

## **Notes to Financial Statements (Continued)** June 30, 2009 and 2008

### **Note 12 - Tax Deferred Annuity Plan (Continued)**

The Fund is a not-for-profit, tax-exempt pension fund incorporated in the State of New York (1922) organized and operated for the purpose of providing retirement and other benefits for employees of YMCAs through-out the United States. The plans are operated as church pension plans. Participation is available to all duly organized and reorganized YMCAs and their eligible employees. As defined contribution plans, the Retirement Plan and Tax-Deferred Savings Plan have no unfunded benefit obligations.

In accordance with the agreement with the Retirement Fund, contributions to the YMCA Retirement Fund are a percentage of the participating employees' qualified compensation. The basic YMCA retirement plan is fully funded through retirement plan contributions for all eligible employees made by the YMCA. Employees can participate in additional voluntary accounts either on a tax-deferred or after-tax basis. The YMCA's contributions charged to retirement costs for the fiscal years ended June 30, 2009 and 2008 were \$646,561 and \$761,479, respectively.

### **Note 13 - Lease Commitments**

The YMCA has entered into capital lease agreements for equipment, computer equipment and copiers through the year 2012. Future minimum payments under capital leases are as follows for the year ending June 30:

2010	\$ 135,678
2011	45,776
2012	4,445
Total future minimum lease payments	<u>185,899</u>
Less portion representing interest	(7,537)
Present value of future minimum lease payments	<u>178,362</u>
Less current portion	(130,081)
Non-current portion	<u>\$ 48,281</u>

The YMCA leases space for administrative and program services. Lease terms range from 1 to 15 years with options to renew. Total future minimum lease payments under the operating leases are as follows:

Year Ending June 30:	Minimum		
	Lease Commitments	Sublease Income	Net Lease Commitments
2010	\$ 1,376,659	\$ 57,208	\$ 1,319,451
2011	1,301,222	57,208	1,244,014
2012	1,257,252	57,208	1,200,044
2013	744,447	57,208	687,239
2014	355,544	57,208	298,336
Thereafter	545,028	114,416	430,612
	<u>\$ 5,580,152</u>	<u>\$ 400,456</u>	<u>\$ 5,179,696</u>

# **Sarasota Family Young Men's Christian Association, Inc.**

## **Notes to Financial Statements (Continued)** **June 30, 2009 and 2008**

### **Note 13 - Lease Commitments (Continued)**

Certain leases require payments for common area maintenance and also provide for adjustments to minimum lease payments annually based on fluctuations in the Consumer Price Index. These adjustments cannot be predicted and are therefore not included in the minimum lease commitments amounts above. The YMCA subleases office space to the YMCA Foundation of Sarasota, Inc. Sublease income will also increase annually based on the Consumer Price Index. Total rent expense for the years ended June 30, 2009 and 2008 amounted to \$1,609,144 and \$2,907,866, respectively, net of sublease income.

### **Note 14 - Notes Payable**

Notes payable consisted of the following at June 30:

	<u>2009</u>	<u>2008</u>
Note payable, secured by a mortgage, interest at 6% per annum, interest only payments due monthly beginning June 1, 2009 with principal and interest payments Due monthly in the amount of \$1,433 commencing on December 1, 2009.	\$ 200,000	\$ -
Mortgage note payable, interest at 7.5% increases annually per the terms of the note, monthly payments of interest only are required. The principal was paid in full on August 11, 2008.	- -	621,246
Notes payable, secured by vehicles, interest ranging from 0% to 9.25%, cumulative monthly payments of \$9,703. Certain notes have balloon payments due when the notes mature.	<u>12,452</u>	<u>119,130</u>
Less current portion	212,452	740,376
Non-current portion	<u>9,763</u>	<u>707,793</u>
	<u>\$ 202,689</u>	<u>\$ 32,583</u>
Aggregate maturities are as follows:		
2010	\$ 9,763	
2011	10,433	
2012	6,731	
2013	6,232	
2014	6,617	
Thereafter	<u>172,676</u>	
	<u>\$ 212,452</u>	

# **Sarasota Family Young Men's Christian Association, Inc.**

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## **Notes to Financial Statements (Continued)**

**June 30, 2009 and 2008**

### **Note 14 - Notes Payable (Continued)**

Additionally, the YMCA has a \$2,000,000 available line of credit with a financial institution, at the bank's prime rate plus 1%, subject to minimum rate of 5% which expires on January 31, 2010. Interest only payments are due monthly, with the principal due upon demand. The interest rate in effect at June 30, 2009 was 5%. For the year ended June 30, 2008 the available line with the same financial institution was \$6,000,000. The line is secured by real and personal property. The outstanding balance at June 30, 2009 and 2008 was \$0, respectively. The line of credit is available to finance general operating activities and is directly linked to the YMCA's operating checking account, in which they must maintain their deposit relationship with through the remainder of the agreement. There is no minimum balance requirement at the financial institution.

### **Note 15 - Bonds Payable**

In October 1999, the YMCA issued Florida Variable Rate Demand Revenue Bonds Series 1999 in the amount of \$11,300,000. The Series 1999 Bonds mature October 1, 2021. The proceeds were used to fund the cost of acquiring, constructing and equipping various capital improvements to community and social service facilities, refinancing certain outstanding indebtedness and paying the costs associated with the issuance of the Series 1999 Bonds.

The YMCA exercised a one-time option to swap from a variable weekly interest rate to a fixed rate of 5.58% in October 1999 for the term of the bond. The YMCA paid interest on the Series 1999 Bonds during the years ended June 30, 2009 and 2008 in the amount of \$365,082 and \$384,325, respectively.

Long term interest rates decreased from the date the YMCA entered into the swap agreement, and as such, the interest rate swap had a negative fair value of \$1,048,869 and \$903,097, which is recorded as a liability as of June 30, 2009 and 2008, respectively. The fair value was obtained from a financial institution known to be an active participant in the capital markets. The swap will continue to have negative fair value as long as the original variable rates are below the fixed swap interest rate.

The terms of the agreement require that a letter of credit be maintained as long as the Series 1999 Bonds are outstanding. Accordingly, the YMCA has an irrevocable letter of credit with a financial institution for the outstanding balance of the bonds plus a reserve of 48 days of interest at a rate of 12%. The letter of credit, which expires on November 15, 2011, is collateralized by a deed of trust on certain real and personal property of the YMCA. The agreement places certain covenants, which, among other things, require the YMCA to maintain certain financial ratios, and places limitations on capital expenditures, other indebtedness, and pledges of assets, lease expenditures and guaranties. The YMCA was in compliance with the debt covenants at June 30, 2009 and 2008.

In connection with the Series 1999 Bonds and letter of credit, the YMCA paid \$161,681 of issuance costs. These charges are recorded as deferred bond financing costs and are being amortized over the life of the Series 1999 Bonds. For the years ended June 30, 2009 and 2008, amortization expense related to these charges amounted to \$7,349, respectively.

# **Sarasota Family Young Men's Christian Association, Inc.**

## **Notes to Financial Statements (Continued)**

**June 30, 2009 and 2008**

### **Note 15 - Bonds Payable (Continued)**

The outstanding principal balance of the Series 1999 Bonds is \$6,425,000 and \$6,755,000 as of June 30, 2009 and 2008, respectively. On October 1, 2021, the original issue of \$11,300,000 of the Series 1999 Bonds will mature and are subject to mandatory redemption at a redemption price equal to the Bond principal amount, and are payable in installments as follows as of June 30, 2009:

Year Ending June 30:

2010	\$ 355,000
2011	380,000
2012	395,000
2013	425,000
2014	455,000
Thereafter	4,415,000
Total	<u>\$ 6,425,000</u>

### **Note 16 - Custodial Liabilities**

The YMCA is the custodian for Social Security benefits for the children in its care. The YMCA is responsible for receiving funds from Social Security and disbursing such to the respective beneficiaries pursuant to requirements set forth by Social Security and the Department of Children and Families. The funds are maintained in separate bank accounts.

### **Note 17 - Deferred Revenue and Government Contracts**

Membership revenue is deferred and recognized over the term of the membership on a straight-line basis. At June 30, 2009 and 2008, deferred programs and membership revenue totaled \$793,118 and \$875,930, respectively.

Certain government contracts and grants are received ratably over the respective contract periods. The YMCA recognizes the related revenue as grant expenditures are made. Any excess of funds received over the amount earned is considered deferred revenue which amounted to \$1,494,191 and \$860,777 at June 30, 2009 and 2008, respectively. For the years ended June 30, 2009 and 2008, deferred revenue and government contracts totaled \$2,287,309 and \$1,736,707, respectively.

# **Sarasota Family Young Men's Christian Association, Inc.**

## **Notes to Financial Statements (Continued)** **June 30, 2009 and 2008**

### **Note 18 - Fair Value of Financial Assets and Liabilities**

The YMCA adopted Statement of Financial Accounting Standards No. 157, Fair Value Measurements effective July 1, 2008. SFAS 157 provides enhanced guidance for using fair value to measure assets and liabilities and clarifies the principle that fair value should be based on the assumptions market participants would use when pricing the assets or liabilities and establishes a hierarchy that prioritizes the information used to develop those assumptions. SFAS 157 was partially delayed (until July 1, 2009) for nonfinancial assets and nonfinancial liabilities, except for items that are recognized or disclosed at fair value in the financial statements on a recurring basis (at least annually).

The following are the major categories of assets and liabilities measured at fair value on a recurring basis during the fiscal year ended June 30, 2009, using quoted prices in active markets for identical assets (Level 1); significant other observable inputs (Level 2); and significant unobservable inputs (Level 3), as defined under SFAS 157.

Description	6/30/09	Fair Value Measurements at Reporting Date Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Interest rate swap liability	\$ 1,048,869	\$ -	\$ -	\$ 1,048,869

The following is a reconciliation of the beginning and ending balances for assets and liabilities measured at fair value on a recurring basis using significant unobservable inputs (Level 3) during the fiscal year ended June 30, 2009:

#### **Fair Value Measurements Using Significant Unobservable Inputs (Level 3)**

	Total
Beginning balance	\$ 903,097
Change in fair value	145,772
Issuances and settlements	-
Ending balance	<u>\$ 1,048,869</u>

## **Sarasota Family Young Men's Christian Association, Inc.**

### **Notes to Financial Statements (Continued)** **June 30, 2009 and 2008**

#### **Note 19 - Temporarily Restricted Net Assets**

Temporarily restricted net assets are generated from donor contributions and are restricted as to use within the following programs and organization at June 30:

	<b>2009</b>	<b>2008</b>
Youth & Family Services	\$ 910	\$ 59,398
Educational Outreach Services	28,650	6,260
Child Welfare/Foster Care	40,255	6,370
Health Enhancement	19,800	-
Beneficial interest in net assets of the YMCA Foundation of Sarasota, Inc.	718,780	918,420
	<b>\$ 808,395</b>	<b>\$ 990,448</b>

#### **Note 20 - Permanently Restricted Net Assets**

Permanently restricted net assets consisted of the beneficial interest in the net assets of the YMCA Foundation of Sarasota, Inc. in the amounts of \$282,110 and \$282,110 at June 30, 2009 and 2008, respectively.

#### **Note 21 - Net Assets Released From Restrictions**

Net assets released from donor restriction by incurring expenses satisfying the restricted purposes for the year ended June 30, were for the following:

	<b>2009</b>	<b>2008</b>
Expiration of program restrictions		
Youth & Family Services	\$ 57,161	\$ 112,868
Educational Outreach Services	6,261	142,300
Health Enhancement	-	3,000
Child Welfare and Foster Care	1,438	613
Total net assets released from restrictions	<b>\$ 64,860</b>	<b>\$ 258,781</b>

#### **Note 22 - Discounted Membership Dues and Program Fees**

The YMCA also makes contributions to the general public through subsidies to those who qualify for discounted membership and program fees. These discounts amounted to \$544,950 and \$569,007 for the years ended June 30, 2009 and 2008, respectively.

# **Sarasota Family Young Men's Christian Association, Inc.**

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## **Notes to Financial Statements (Continued)** **June 30, 2009 and 2008**

### **Note 23 - Transactions with the YMCA Foundation of Sarasota, Inc.**

The YMCA Foundation of Sarasota, Inc. (Foundation) is an organization which was created in 1981 for the sole purpose of raising funds to support the YMCA. An independent Board of Trustees directs the Foundation. The YMCA must apply for grants and the Foundation maintains full authority over grant decisions. During the year ended June 30, 2009, the Foundation contributed \$2,309,710 to the YMCA, of which \$30,830 was temporarily restricted at June 30, 2009 for specified programs. During the year ended June 30, 2008, the Foundation contributed \$1,059,472 to the YMCA, of which a balance of \$8,549 was temporarily restricted at June 30, 2008 for specified programs.

The Foundation reimbursed the YMCA for payroll, payroll related and other expenses paid on behalf of the Foundation in the amount of \$398,727 and \$401,463, for the years ended June 30, 2009 and 2008, respectively. The Foundation also paid the YMCA rent in the amount of \$49,510 and \$48,288 and reimbursement for accounting fee services of \$25,000 for the years ended June 30, 2009 and 2008, respectively.

Beginning March 1, 2006, the YMCA began leasing office space in a building in Desoto County owned by the Foundation. Total rent and related reimbursable expenses paid to the Foundation for the years ended June 30, 2009 and 2008 amounted to \$85,246 and \$85,422, respectively.

As of June 30, 2009 and 2008, the YMCA recorded a receivable from the Foundation in the amount of \$79,469 and \$78,039, respectively, which related to Foundation grants and reimbursement of payroll and other expenses.

### **Note 24 - Transactions with the YMCA Foundation of Sarasota, Inc. (Continued)**

The YMCA has recorded a payable to the Foundation in the amount of \$1,220 for the year ended June 30, 2009.

The YMCA had a line of credit to a maximum of \$50,000 at prime rate with the Foundation. The line of credit was terminated in the year ended June 30, 2008.

On April 27, 2009, the YMCA entered into a promissory note payable with the Foundation in the amount of \$200,000. The amount borrowed from the Foundation was used to make a loan in the amount of \$200,000 to Y Associates for the construction costs to complete a parking garage for Kane Plaza. The note bears a fixed interest rate of 6.0% per annum. Interest shall be payable in arrears on the first day of each month for six months, the first payment due on June 1, 2009. Commencing on December 1, 2009 principal and interest on the note shall be payable in equal monthly installments of \$1,433, on the first day of every month until May 1, 2019, on which date the remaining unpaid principal balance, together with all accrued but unpaid interest, shall be payable.

# **Sarasota Family Young Men's Christian Association, Inc.**

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## **Notes to Financial Statements (Continued)**

**June 30, 2009 and 2008**

### **Note 25 - Related Party Transactions**

During fiscal 2009 and 2008, the YMCA entered into business transactions with certain board members' companies for architectural and legal services. For the years ended June 30, 2009 and 2008, the YMCA paid \$35,151 and \$57,285, respectively, for these services to board members' companies. Certain Board members are affiliated with organizations that transact with the YMCA. Board members are required to complete conflict of interest disclosure statements and abstain from voting on related issues.

### **Note 26 - Matching Requirements on Governmental Contracts**

The YMCA has been awarded contracts from federal and state agencies, which require matching contributions by the YMCA. The matching requirements were met or exceeded on completed contracts during fiscal years 2009 and 2008.

### **Note 27 - Concentrations**

For the years ended June 30, 2009 and 2008, approximately 66% and 86%, respectively, of revenue and support was derived from government grants and contracts. Approximately 85% and 93% of the government grants and contracts revenue was provided for the Child Welfare/Foster Care Programs during the years ended June 30, 2009 and 2008, respectively.

### **Note 28 - Contingencies**

The YMCA is a recipient of federal, state and other third party reimbursement funds that are subject to special compliance audits by the granting agencies and other third party agencies that provide these reimbursements. The outcome of these audits may result in expenditures that would be disallowed. Disallowed amounts, if any, would constitute a contingent liability.

The YMCA is subject to various claims and legal proceedings covering a range of matters that arise in the ordinary course of its business activities. Management and their legal counsel believe that any liability that may ultimately result from the resolution of these matters will not have a material adverse effect on the financial condition or results of operations of the YMCA.

### **Note 29 - Prior-Period Adjustment**

The interest rate swap liability as disclosed in Note 15 has not been reflected in the financial statements as of and for the year ended June 30, 2008. The prior period adjustment to net assets of (\$683,344) is the fair value of the interest rate swap liability as of June 30, 2007. The interest rate swap liability and the related change in value has been included in the financial statements as of and for the year ended June 30, 2009 in accordance with accounting principles generally accepted in the United States of America.

# **Sarasota Family Young Men's Christian Association, Inc.**

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## **Notes to Financial Statements (Continued)**

**June 30, 2009 and 2008**

### **Note 29 - Prior-Period Adjustment (Continued)**

The prior-period adjustment is presented on the statements of financial position as an adjustment to net assets in the 2008 fiscal year. The following table reconciles the variance in net assets at the end of the year per the statements of activities to net assets at the end of the year per the statements of financial position for the fiscal year ended June 30, 2008:

	Net Assets, End of Year
Net assets per the statements of activities	\$ 26,189,418
Prior-period adjustment	(683,344)
Net assets per statements of financial position	<u>\$ 25,506,074</u>

## **SUPPLEMENTAL INFORMATION**

**SARASOTA FAMILY YOUNG MEN'S CHRISTIAN ASSOCIATION, INC.**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE**  
**YEAR ENDED JUNE 30, 2009**

Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal CFDA State CSFA Number	Grant/Contract Number	Grant/Contract or Award Amount	Federal Reimbursable Expenditures	State/Local Reimbursable Expenditures	Total Reimbursable Expenditures	Transfers to Subrecipients
<b>FEDERAL GRANTS AND CONTRACTS</b>							
<b>U.S. Department of Health and Human Services</b> Passed-through Florida Department of Children and Families Services: Temporary Assistance for Needy Families	93.558	QJ9BR	\$ 23,450,807	\$ 2,556,881 2,556,881	\$ -	\$ 2,556,881 2,556,881	\$ 833,263 833,263
<b>U.S. Department of Health and Human Services</b> Passed-through Florida Department of Children and Families Services: Grants to States for Access and Visitation Programs	93.597	QJ9BR	23,450,807	43,478 43,478	-	43,478 43,478	43,478 43,478
<b>U.S. Department of Health and Human Services</b> Passed-through Florida Department of Children and Families Services: Child Abuse and Neglect State Grants	93.669	QJ9BR	23,450,807	44,186 44,186	-	44,186 44,186	43,754 43,754
<b>U.S. Department of Health and Human Services</b> Passed-through Florida Department of Children and Families Services: Promoting Safe and Stable Families	93.556	QJ9BR	23,450,807	500,404 500,404	18,776 18,776	519,180 519,180	482,870 482,870
<b>U.S. Department of Health and Human Services</b> Passed-through Florida Department of Children and Families Services: Adoption Assistance Adoption Assistance - American Recovery and Reinvestment Act	93.659 93.659	QJ9BR QJ9BR	23,450,807 23,450,807	2,073,157 138,588 2,211,745	1,556,068 81,288 1,637,356	3,629,225 219,876 3,849,101	597,748 597,748
<b>U.S. Department of Health and Human Services</b> Passed-through Florida Department of Children and Families Services: Medical Assistance Program	93.778	QJ9BR	23,450,807	71,829 71,829	82,988 82,988	154,817 154,817	154,817 154,817
<b>U.S. Department of Health and Human Services</b> Passed-through Florida Department of Children and Families Services: Chafee Foster Care Independence Program	93.674	QJ9BR	23,450,807	138,095 138,095	34,524 34,524	172,619 172,619	-
<b>U.S. Department of Health and Human Services</b> Passed-through Florida Department of Children and Families Services: Chafee Education and Training Vouchers Program (ETV)	93.599	QJ9BR	23,450,807	49,568 49,568	12,392 12,392	61,960 61,960	-
<b>U.S. Department of Health and Human Services</b> Passed-through Florida Department of Children and Families Services: Block Grants for Community Mental Health Services	93.958	QJ9BR	\$ 23,450,807	\$ -	\$ 300,158 300,158	\$ 300,158 300,158	\$ 300,158 300,158

**SARASOTA FAMILY YOUNG MEN'S CHRISTIAN ASSOCIATION, INC.**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE (CONTINUED)**  
**YEAR ENDED JUNE 30, 2009**

Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal CFDA State CSFA Number	Grant/Contract Number	Grant/Contract or Award Amount	Federal Reimbursable Expenditures	State/Local Reimbursable Expenditures	Total Reimbursable Expenditures	Transfers to Subrecipients
<b>FEDERAL GRANTS AND CONTRACTS (CONTINUED)</b>							
<b>U.S. Department of Health and Human Services</b>							
Passed-through Florida Department of Children and Families Services: Foster Care-Title IV-E	93.658	QJ9BR	\$ 23,450,807	\$ 4,120,202	\$	\$ 4,120,202	\$ 2,257,298
Passed-through Community Based Care Lead Agencies: Foster Care-Title IV-E	93.658	N/A	Rate Agreement	93,724 4,213,926	-	93,724 4,213,926	2,257,298
<b>U.S. Department of Health and Human Services</b>							
Passed-through Florida Department of Children and Families Services: Social Services Block Grant	93.667	QJ9BR	23,450,807	1,321,867		1,321,867	784,694
Passed-through Community Based Care Lead Agencies: Social Services Block Grant	93.667	N/A	Rate Agreement	74,420 1,396,287	-	74,420 1,396,287	784,694
<b>U.S. Department of Health and Human Services</b>							
Passed-through Florida Department of Children and Families Services: Child Welfare Services - State Grants	93.645	QJ9BR	23,450,807	335,009 335,009	111,670 111,670	446,679 446,679	230,728 230,728
<b>U.S. Department of Health and Human Services</b>							
Basic Center Grant - Runaway and Homeless Youth	93.623	04CY0808/01	132,500	26,984		26,984	
Basic Center Grant - Runaway and Homeless Youth	93.623	04CY0808/02	132,500	76,890 103,874	-	76,890 103,874	-
<b>U.S. Department of Health and Human Services</b>							
Transitional Living for Homeless Youth	93.550	04CX0637/05	154,753	106,934 106,934	-	106,934 106,934	-
<b>U.S. Department of Health and Human Services</b>							
Passed-through the Florida Department of Education: Temporary Assistance for Needy Families	93.558	5830-1271-00-1	112,000	112,000 112,000	-	112,000 112,000	-
<b>U.S. Department of Health and Human Services</b>							
Passed-through the Agency for Workforce Innovation							
Child Care Mandatory and Matching Funds of the Childcare and Development Fund	93.596	Sarasota	Rate Agreement	1,308		1,308	
Child Care Mandatory and Matching Funds of the Childcare and Development Fund	93.596	Hardee	Rate Agreement	40,704 42,012	-	40,704 42,012	-
Child Care Development Block Grant	93.575	Manatee	Rate Agreement	209 209	-	209 209	-
<b>Total U.S. Department of Health and Human Services</b>				\$ 11,926,437	\$ 2,197,864	\$ 14,124,301	\$ 5,728,808

**SARASOTA FAMILY YOUNG MEN'S CHRISTIAN ASSOCIATION, INC.**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE (CONTINUED)**  
**YEAR ENDED JUNE 30, 2009**

Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal CFDA State CSFA Number	Grant/Contract Number	Grant/Contract or Award Amount	Federal Reimbursable Expenditures	State/Local Reimbursable Expenditures	Total Reimbursable Expenditures	Transfers to Subrecipients
<b>FEDERAL GRANTS AND CONTRACTS (CONTINUED)</b>							
<b>U.S. Department of Education</b>							
Passed-through School Board of Sarasota County:							
Education for Homeless Children and Youth '09	84.196A	N/A	\$ 109,718	\$ 109,718	\$ 18,881	\$ 109,718	\$ 18,881
Education for Homeless Children and Youth '08	84.196	N/A	76,587	<u>128,599</u>	<u>-</u>	<u>128,599</u>	<u>-</u>
Title I Grants to Local Educational Agencies	84.010	N/A	25,000	12,372		12,372	
Second Chance School - Character House '09	84.010	N/A	Per FTE	6,391		6,391	
				18,763	<u>-</u>	<u>18,763</u>	<u>-</u>
Passed-through The Florida State Parental and Information Resource Center of the Family Network on Disabilities, Inc.:							
HIPPY Summer Program	UNK	N/A	\$0.500	37,303		37,303	
<b>Total U.S. Department of Education</b>				<u>184,665</u>	<u>-</u>	<u>184,665</u>	<u>-</u>
<b>U.S. Department of Agriculture</b>							
Passed-through Florida Department of Health:							
Child and Adult Care Food Program	10.558	A-1413	12,975	8,516		8,516	
Child and Adult Care Food Program	10.558	A-1413	Rate Agreement	1,796		1,796	
				10,312	<u>-</u>	<u>10,312</u>	<u>-</u>
<b>U.S. Department of Agriculture</b>							
Passed-through the Florida Department of Education:							
National School Lunch Program	10.555	01-0420	Rate Agreement	16,933		16,933	
				<u>16,933</u>	<u>-</u>	<u>16,933</u>	<u>-</u>
Passed-through the Florida Department of Education:							
School Breakfast Program	10.553	01-0420	Rate Agreement	8,723		8,723	
				<u>8,723</u>	<u>-</u>	<u>8,723</u>	<u>-</u>
<b>Total U.S. Department of Agriculture</b>				<u>35,968</u>	<u>-</u>	<u>35,968</u>	<u>-</u>
<b>U.S. Department of Homeland Security</b>							
Passed-through the United Way of Sarasota County:							
Emergency Food and Shelter National Board Program	97.024	LRO171400-027	25,120	25,120		25,120	
<b>Total U.S. Department of Homeland Security</b>				<u>25,120</u>	<u>-</u>	<u>25,120</u>	<u>-</u>
<b>Medicaid</b>							
Medicaid							
<b>Total Medicaid</b>							
<b>Total Federal Grants and Contracts</b>				\$ <u>12,460,823</u>	\$ <u>2,197,864</u>	\$ <u>14,658,687</u>	\$ <u>5,728,808</u>
<b>STATE GRANTS AND CONTRACTS</b>							
<b>Florida Department of Juvenile Justice</b>							
Delinquency Non-Secure Residential Services	80.016	L7G01	\$ 800,219	\$ <u>791,304</u>	\$ <u>791,304</u>	\$ <u>791,304</u>	\$ <u>791,304</u>

**SARASOTA FAMILY YOUNG MEN'S CHRISTIAN ASSOCIATION, INC.**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE (CONTINUED)**  
**YEAR ENDED JUNE 30, 2009**

Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal CFDA State CSFA Number	Grant/Contract Number	Grant/Contract or Award Amount	Federal Reimbursable Expenditures	State/Local Reimbursable Expenditures	Total Reimbursable Expenditures	Transfers to Subrecipients
<b>STATE GRANTS AND CONTRACTS (CONTINUED)</b>							
<b>Florida Department of Juvenile Justice</b>							
Passed through the Florida Network of Youth and Family Services: Children and Families in Need of Services	80.005	N/A	\$ 924,322	\$ _____ -	\$ 904,347 904,347	\$ 904,347 904,347	\$ _____ -
<b>Total Florida Department of Juvenile Justice</b>					<b>1,695,651</b>	<b>1,695,651</b>	
<b>Florida Department of Education</b>							
Passed-through School Board of Sarasota County: Triad Alternative Program - North & South County '08	48.UNK	N/A	1,200,000		66,222	66,222	
Triad Alternative Program - North & South County '09	48.UNK	N/A	800,000		800,000	800,000	
Second Chance School - Character House '08	48.UNK	N/A	Per FTE		146,783	146,783	
Second Chance School - Character House '09	48.UNK	N/A	Per FTE		193,790	193,790	
<b>Total Florida Department of Education</b>					<b>1,206,795</b>	<b>1,206,795</b>	
<b>Florida Department of Children and Families</b>							
Community Based Care Supports	60.094	N/A	49,278		49,278	49,278	
Community Based Care Supports	60.094	QJ4B5	23,023,447		479,849	479,849	
Community Based Care Supports	60.094	QJ9BR	23,450,807		8,398,830	8,398,830	4,225,191
Community Based Care Supports	60.094	QJ6B6	49,328,955		27,536	27,536	
Passed-through Community Based Care Lead Agencies: Community Based Care Supports	60.094	N/A	Rate Agreement		146,409	146,409	
<b>Total Florida Department of Children and Families</b>					<b>9,101,902</b>	<b>9,101,902</b>	<b>4,225,191</b>
<b>Volunteer Florida Foundation</b>							
Y Reads! Statewide Coordinator	N/A	N/A	72,484		71,578	71,578	
Y Reads! Gocio & Newtown	N/A	N/A	91,080		91,080	91,080	
<b>Total Volunteer Florida Foundation</b>					<b>162,658</b>	<b>162,658</b>	
<b>Florida Agency for Workforce Innovation</b>							
Voluntary Pre-Kindergarten Education Program	75.007	N/A	Rate Agreement		23,939	23,939	
<b>Total Florida Agency for Workforce Innovation</b>					<b>23,939</b>	<b>23,939</b>	
<b>Total State Grants and Contracts</b>				\$ _____ -	\$ <b>12,190,945</b>	\$ <b>12,190,945</b>	\$ <b>4,225,191</b>
<b>LOCAL GRANTS AND CONTRACTS</b>							
<b>Sarasota County, Florida</b>							
Grants-in-Aid:							
Youth and Family Services, Y-Achievers, HIPPY and Community Youth Development '08	N/A	2008-160	\$ 542,437	\$ _____ -	\$ 75,161	\$ 75,161	\$ _____ -
Youth and Family Services, Y-Achievers, HIPPY and Operation Graduation '09	N/A	2009-135	\$ 245,000		197,107	197,107	
<b>Total Sarasota County, Florida</b>					<b>\$ 272,268</b>	<b>\$ 272,268</b>	

**SARASOTA FAMILY YOUNG MEN'S CHRISTIAN ASSOCIATION, INC.**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE (CONTINUED)**  
**YEAR ENDED JUNE 30, 2009**

Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal CFDA State CSFA Number	Grant/Contract Number	Grant/Contract or Award Amount	Federal Reimbursable Expenditures	State/Local Reimbursable Expenditures	Total Reimbursable Expenditures	Transfers to Subrecipients
<b>LOCAL GRANTS AND CONTRACTS (CONTINUED)</b>							
DeSoto County, Florida Financial Assistance Program: CINS/FINS '08 Total DeSoto County, Florida	N/A	N/A	\$ 10,000	\$ _____ -	\$ 2,500 2,500	\$ 2,500 2,500	\$ _____ -
Manatee County, Florida Manatee County Government Total Manatee County, Florida	N/A	N/A	\$ 75,000	\$ _____ -	\$ 32,110 32,110	\$ 32,110 32,110	\$ 32,110 32,110
<b>Total Local Grants and Contracts</b>				<b>\$ _____ -</b>	<b>\$ 306,878</b>	<b>\$ 306,878</b>	<b>\$ 32,110</b>
<b>Total Grants and Contracts</b>				<b>\$ 12,460,823</b>	<b>\$ 14,695,687</b>	<b>\$ 27,156,510</b>	<b>\$ 9,986,109</b>

**Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance**

This schedule includes the federal and state grant activity of the YMCA and is presented on the accrual basis of accounting. The information in this schedule is in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, amounts in this schedule may differ from amounts presented or used in the preparation of the basic financial statements.

**SARASOTA FAMILY YOUNG MEN'S CHRISTIAN ASSOCIATION, INC.****SCHEDULE OF SUBRECIPIENT ACTIVITY****YEAR ENDED JUNE 30, 2009**

Contract Number	Grant/Contract Subrecipient/Program Title	CFDA/CSFA Number	Amount Awarded to Subrecipient
	Amount		
CCPCSV9	<b>\$76,565 CHILD PROTECTION CENTER, INC.</b> US DHHS - Promoting Safe and Stable Families	93.556	\$ <u>76,565</u>
CYFACM9	<b>\$2,813,880 YOUTH AND FAMILY ALTERNATIVES, INC.</b> US DHHS - Temporary Assistance to Needy Families US DHHS - Child Welfare Services US DHHS - Promoting Safe and Stable Families US DHHS - Foster Care-Title IV-E US DHHS - Adoption Assistance US DHHS - Social Services Block Grant US DHHS - Child Abuse and Neglect State Grants State of Florida - Foster Care Community Based Supports	93.558 93.645 93.556 93.658 93.659 93.667 93.669 60.094	370,566 107,892 52,941 685,445 271,976 78,326 7,679 <u>1,239,055</u> <u>2,813,880</u>
MFRISV9	<b>\$83,293 FAMILY RESOURCES, INC.</b> US DHHS - Promoting Safe and Stable Families US DHHS - Grants to States for Access & Visitation Programs	93.556 93.597	39,815 43,478 <u>83,293</u>
CFPSCM9	<b>\$1,176,035 FAMILY PRESERVATION SERVICES</b> US DHHS - Temporary Assistance to Needy Families US DHHS - Child Welfare Services US DHHS - Promoting Safe and Stable Families US DHHS - Foster Care-Title IV-E US DHHS - Adoption Assistance US DHHS - Social Services Block Grant US DHHS - Child Abuse and Neglect State Grants State of Florida - Foster Care Community Based Supports	93.558 93.645 93.556 93.658 93.659 93.667 93.669 60.094	157,582 45,880 7,715 291,483 115,657 33,308 2,741 <u>521,669</u> <u>1,176,035</u>
MHFSFS9	<b>\$25,000 HOPE FAMILY SERVICES, INC.</b> US DHHS - Promoting Safe and Stable Families	93.556	\$ <u>25,000</u>

**SARASOTA FAMILY YOUNG MEN'S CHRISTIAN ASSOCIATION, INC.****SCHEDULE OF SUBRECIPIENT ACTIVITY (CONTINUED)****YEAR ENDED JUNE 30, 2009**

Contract Number	Grant/Contract Subrecipient/Program Title		CFDA/CSFA Number	Amount Awarded to Subrecipient
	Amount			
CMGCCM9	<b>\$1,980,000 MANATEE GLENS CORPORATION</b>			
	US DHHS - Temporary Assistance to Needy Families	93.558	\$	264,313
	US DHHS - Child Welfare Services	93.645		76,956
	US DHHS - Promoting Safe and Stable Families	93.556		35,129
	US DHHS - Foster Care-Title IV-E	93.658		488,907
	US DHHS - Adoption Assistance	93.659		193,993
	US DHHS - Social Services Block Grant	93.667		55,868
	US DHHS - Child Abuse and Neglect State Grants	93.669		3,252
	State of Florida - Foster Care Community Based Supports	60.094		861,582
				<b><u>1,980,000</u></b>
CMGCMH9	<b>\$300,158 MANATEE GLENS CORPORATION</b>			
	US DHHS - Block Grants for Community Mental Health Services	93.958		<b><u>300,158</u></b>
CMGCRS9	<b>\$200,000 MANATEE GLENS CORPORATION</b>			
	US DHHS - Child Abuse and Neglect State Grants	93.669		18,227
	State of Florida - Foster Care Community Based Supports	60.094		181,773
				<b><u>200,000</u></b>
CWATNM9	<b>\$154,817 WEST COAST ACCESS TO CHILDREN'S HEALTHCARE, INC.</b>			
	US DHHS - Medicaid Assistance Program	93.778		<b><u>154,817</u></b>
CFPCPA9	<b>\$177,898 FAMILY PARTNERSHIP CENTER, INC.</b>			
	US DHHS - Promoting Safe and Stable Families	93.556		<b><u>177,898</u></b>
CJFCCP9	<b>\$184,472 JEWISH FAMILY AND CHILDREN'S SERVICES</b>			
+ Unit Rate	State of Florida - Foster Care Community Based Supports	60.094		118,225
	US DHHS - Child Abuse and Neglect State Grants	93.669		11,855
	US DHHS - Promoting Safe and Stable Families	93.556		67,807
				<b><u>197,887</u></b>
MPICBA9	<b>\$50,000 RANDI PICKLE</b>			
	Manatee County Government	N/A	\$	<b><u>32,110</u></b>

**SARASOTA FAMILY YOUNG MEN'S CHRISTIAN ASSOCIATION, INC.****SCHEDULE OF SUBRECIPIENT ACTIVITY (CONTINUED)****YEAR ENDED JUNE 30, 2009**

Contract Number	Grant/Contract Subrecipient/Program Title	CFDA/CSFA Number	Amount Awarded to Subrecipient
	Amount		
CUSFTS7	<b>\$159,749 THE UNIVERSITY OF SOUTH FLORIDA</b> US DHHS - Temporary Assistance to Needy Families US DHHS - Foster Care-Title IV-E US DHHS - Adoption Assistance State of Florida - Foster Care Community Based Supports	93.558 93.658 93.659 60.094	\$ 40,802 14,168 16,122 88,657 <b><u>159,749</u></b>
VARIOUS	<b>RATE OUT OF HOME CARE RESIDENTIAL FACILITIES</b> US DHHS - Foster Care-Title IV-E US DHHS - Social Services Block Grant State of Florida - Foster Care Community Based Supports	93.658 93.667 60.094	777,295 617,192 1,214,230 <b><u>2,608,717</u></b>
	<b>Total Funding to Subrecipients</b>		\$ <b><u>9,986,109</u></b>

**SARASOTA FAMILY YOUNG MEN'S CHRISTIAN ASSOCIATION, INC.**  
**SCHEDULE OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE EXPENDITURES**  
**BY GRANT/CONTRACT NUMBER**  
**YEAR ENDED JUNE 30, 2009**

Grantor/Pass-Through Grantor/ Program or Cluster Title	Grant/ Contract Number	Grant/Contract or Award Amount	Total Reimbursable Expenditures
<b>U.S. Department of Health and Human Services</b>			
Passed-through Florida Department of Children and Families Services:			
Temporary Assistance for Needy Families	QJ9BR	\$ 23,450,807	\$ 2,556,881
Grants to States for Access and Visitation Programs	QJ9BR	23,450,807	43,478
Child Abuse and Neglect State Grants	QJ9BR	23,450,807	44,186
Promoting Safe and Stable Families	QJ9BR	23,450,807	519,180
Adoption Assistance	QJ9BR	23,450,807	3,629,225
Adoption Assistance - American Recovery and Reinvestment Act	QJ9BR	23,450,807	219,876
Medical Assistance Program	QJ9BR	23,450,807	154,817
Chafee Education and Training Vouchers Program (ETV)	QJ9BR	23,450,807	61,960
Social Services Block Grant	QJ9BR	23,450,807	1,321,867
Chafee Foster Care Independence Program	QJ9BR	23,450,807	172,619
Foster Care Title IV E	QJ9BR	23,450,807	4,120,202
Block Grants for Community Mental Health Services	QJ9BR	23,450,807	300,158
Child Welfare Services - State Grants	QJ9BR	23,450,807	446,679
<b>Florida Department of Children and Families</b>			
Community Based Care Supports	QJ9BR	23,450,807	<u>8,398,830</u>
			<u>21,989,958</u>
<b>Florida Department of Children and Families</b>			
Community Based Care Supports	QJ6B6	49,328,955	<u>27,536</u>
			<u>27,536</u>
<b>Florida Department of Children and Families</b>			
Community Based Care Supports	QJ4B5	\$ 23,023,447	<u>479,849</u>
			<u>\$ 479,849</u>

**SARASOTA FAMILY YOUNG MEN'S CHRISTIAN ASSOCIATION, INC.****SCHEDULE OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE EXPENDITURES  
BY GRANT/CONTRACT NUMBER (CONTINUED)  
YEAR ENDED JUNE 30, 2009**

Grantor/Pass-Through Grantor/ Program or Cluster Title	Grant/ Contract Number	Grant/Contract or Award Amount	Total Reimbursable Expenditures
<b>U.S. Department of Health and Human Services</b> Passed-through Community Based Care Lead Agencies: Social Services Block Grant Foster Care Title IV E	N/A N/A	\$ Rate Agreement Rate Agreement	\$ 74,420 93,724
<b>Florida Department of Children and Families</b> Passed-through Community Based Care Lead Agencies: Community Based Care Supports	N/A	Rate Agreement	146,409 314,553
<b>U.S. Department of Health and Human Services</b> Basic Center Grant - Runaway and Homeless Youth Basic Center Grant - Runaway and Homeless Youth	04CY0808/01 04CY0808/02	132,500 132,500	26,984 76,890 103,874
<b>U.S. Department of Health and Human Services</b> Transitional Living for Homeless Youth	04CX0637/05	154,753	106,934 106,934
<b>U.S. Department of Health and Human Services</b> Passed-through the Florida Department of Education: Temporary Assistance for Needy Families	5830-1271-00-1	112,000	112,000 112,000
<b>U.S. Department of Health and Human Services</b> Passed-through the Agency for Workforce Innovation Child Care Mandatory and Matching Funds of the Childcare and Development Fund Child Care Mandatory and Matching Funds of the Childcare and Development Fund Child Care Development Block Grant	Sarasota DeSoto Manatee	Rate Agreement Rate Agreement Rate Agreement	1,308 40,704 209
<b>Florida Agency for Workforce Innovation</b> Voluntary Pre-Kindergarten Education Program	Manatee	\$ Rate Agreement	23,939 \$ 66,160

**SARASOTA FAMILY YOUNG MEN'S CHRISTIAN ASSOCIATION, INC.**  
**SCHEDULE OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE EXPENDITURES**  
**BY GRANT/CONTRACT NUMBER (CONTINUED)**  
**YEAR ENDED JUNE 30, 2009**

Grantor/Pass-Through Grantor/ Program or Cluster Title	Grant/ Contract Number	Grant/Contract or Award Amount	Total Reimbursable Expenditures
<b>U.S. Department of Education</b>			
Passed-through School Board of Sarasota County:			
Education for Homeless Children and Youth '09	N/A	\$ 109,718	\$ 109,718
Education for Homeless Children and Youth '08	N/A	76,587	18,881
Title I Grants to Local Educational Agencies	N/A	25,000	12,372
Passed-through The Florida State Parental and Information Resource Center of the Family Network on Disabilities, Inc.:			
HIPPY Summer Program	N/A	50,500	37,303
			<u>178,274</u>
<b>U.S. Department of Agriculture</b>			
Passed-through Florida Department of Health:			
Child and Adult Care Food Program	A-1413	12,975	8,516
Child and Adult Care Food Program	A-1413	Rate Agreement	1,796
			<u>10,312</u>
<b>U.S. Department of Agriculture</b>			
Passed-through the Florida Department of Education:			
National School Lunch Program	01-0420	Rate Agreement	16,933
School Breakfast Program	01-0420	Rate Agreement	8,723
			<u>25,656</u>
<b>U.S. Department of Homeland Security</b>			
Passed-through the United Way of Sarasota County:			
Emergency Food and Shelter National Board Program	LRO171400-027	\$ 25,120	\$ 25,120
			<u>\$ 25,120</u>

**SARASOTA FAMILY YOUNG MEN'S CHRISTIAN ASSOCIATION, INC.****SCHEDULE OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE EXPENDITURES****BY GRANT/CONTRACT NUMBER (CONTINUED)****YEAR ENDED JUNE 30, 2009**

Grantor/Pass-Through Grantor/ Program or Cluster Title	Grant/ Contract Number	Grant/Contract or Award Amount	Total Reimbursable Expenditures
<b>U.S. Department of Health and Human Services</b>			
Medicaid	N/A	\$ Rate Agreement	\$ 288,633
			<u>288,633</u>
<b>Florida Department of Children and Families</b>			
Community Based Care Supports	N/A	49,278	49,278
			<u>49,278</u>
<b>Florida Department of Juvenile Justice</b>			
Delinquency Non-Secure Residential Services	L7G01	800,219	791,304
			<u>791,304</u>
<b>Florida Department of Juvenile Justice</b>			
Passed through the Florida Network of Youth and Family Services: Children and Families in Need of Services	N/A	924,322	904,347
			<u>904,347</u>
<b>Florida Department of Education</b>			
Passed-through School Board of Sarasota County:			
Triad Alternative Program - North & South County '08	N/A	1,200,000	66,222
Triad Alternative Program - North & South County '09	N/A	800,000	800,000
Second Chance School - Character House '08	N/A	Per FTE	146,783
Second Chance School - Character House '09	N/A	Per FTE	193,790
Second Chance School - Character House '09	N/A	Per FTE	6,391
			<u>1,213,186</u>
<b>Volunteer Florida Foundation</b>			
Y Reads! Statewide Coordinator	N/A	72,484	71,578
Y Reads! Gocio & Newtown	N/A	\$ 91,080	91,080
			<u>\$ 162,658</u>

**SARASOTA FAMILY YOUNG MEN'S CHRISTIAN ASSOCIATION, INC.****SCHEDULE OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE EXPENDITURES  
BY GRANT/CONTRACT NUMBER (CONTINUED)  
YEAR ENDED JUNE 30, 2009**

Grantor/Pass-Through Grantor/ Program or Cluster Title	Grant/ Contract Number	Grant/Contract or Award Amount	Total Reimbursable Expenditures
<b>Sarasota County, Florida</b>			
Grants-in-Aid:			
Youth and Family Services, Y-Achievers, HIPPY and Community Youth Development '08	2008-160	\$ 542,437	\$ 75,161
Youth and Family Services, Y-Achievers, HIPPY and Operation Graduation '09	2009-135	245,000	<u>197,107</u> <u>272,268</u>
<b>DeSoto County, Florida</b>			
Financial Assistance Program:			
CINS/FINS '08	N/A	10,000	<u>2,500</u> <u>2,500</u>
<b>Manatee County, Florida</b>			
Manatee County Government	N/A	\$ 75,000	<u>32,110</u> <u>32,110</u>
<b>Total Grants and Contracts</b>			<b>\$ <u>27,156,510</u></b>

## **CONTRACT COMPLIANCE**

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED  
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH GOVERNMENT AUDITING STANDARDS**

The Board of Directors  
Sarasota Family Young Men's Christian Association, Inc.

We have audited the financial statements of Sarasota Family Young Men's Christian Association, Inc. as of and for the years ended June 30, 2009 and 2008, and have issued our report thereon dated November 6, 2009. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the provisions of the Florida Single Audit Act in accordance with Chapter 98-91 of the Laws of Florida and Section 215.97 of the Florida Statutes.

**Internal Control Over Financial Reporting**

In planning and performing our audits, we considered Sarasota Family Young Men's Christian Association, Inc.'s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Sarasota Family Young Men's Christian Association, Inc.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Sarasota Family Young Men's Christian Association, Inc.'s internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the organization's ability to initiate, authorize, record, process, or report financial data reliably in accordance with accounting principles generally accepted in the United States of America such that there is more than a remote likelihood that a misstatement of the organization's financial statements that is more than inconsequential will not be prevented or detected by the organization's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the organization's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

The Board of Directors  
Sarasota Family Young Men's Christian Association, Inc.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Sarasota Family Young Men's Christian Association, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audits and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Board of Directors, audit committee, management, federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties.

*Keukering Barberis + Co*

Sarasota, Florida  
November 6, 2009

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH  
REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM  
AND INTERNAL CONTROL OVER COMPLIANCE IN  
ACCORDANCE WITH OMB CIRCULAR A-133 AND  
FLORIDA SINGLE AUDIT ACT**

The Board of Directors  
Sarasota Family Young Men's Christian Association, Inc.

Compliance

We have audited the compliance of Sarasota Family Young Men's Christian Association, Inc. with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133, *Compliance Supplement* and provisions of the Florida Single Audit Act in accordance with Chapter 98-91 of the Laws of Florida and Section 215.97 of the Florida Statutes that are applicable to each of its major federal programs and state projects for the years ended June 30, 2009 and 2008. Sarasota Family Young Men's Christian Association, Inc.'s major federal programs and state projects are identified in the summary of auditors' results section of the accompanying *Schedule of Findings and Questioned Costs*. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs and state projects is the responsibility of Sarasota Family Young Men's Christian Association, Inc.'s management. Our responsibility is to express an opinion on Sarasota Family Young Men's Christian Association, Inc.'s compliance based on our audits.

We conducted our audits of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and the provisions of the Florida Single Audit Act in accordance with Chapter 98-91 of the Laws of Florida and Section 215.97 of Florida Statutes. Those standards, OMB Circular A-133 and the provisions of the Florida Single Audit Act in accordance with Chapter 98-91 of the Laws of Florida and Section 215.97 of Florida Statutes require that we plan and perform the audits to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program and state project occurred. An audit includes examining, on a test basis, evidence about Sarasota Family Young Men's Christian Association, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinion. Our audits do not provide a legal determination on Sarasota Family Young Men's Christian Association, Inc.'s compliance with those requirements.

In our opinion, Sarasota Family Young Men's Christian Association, Inc. complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs and state projects for the years ended June 30, 2009 and 2008.

Internal Control Over Compliance

The management of Sarasota Family Young Men's Christian Association, Inc. is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs and state projects. In planning and performing our audits, we considered Sarasota Family Young Men's Christian Association, Inc.'s internal control over compliance with requirements that could have a direct and material effect on a major federal program and state project in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Sarasota Family Young Men's Christian Association, Inc.'s internal control over compliance.

A control deficiency in an organization's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program or state project on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the organization's ability to administer a federal program or state project such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program or state project that is more than inconsequential will not be prevented or detected by the organization's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program or state project will not be prevented or detected by the organization's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the Board of Directors, audit committee, management, federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties.

*Kerkenye, Barberio + Co*

Sarasota, Florida  
November 6, 2009

**Sarasota Family Young Men's Christian Association, Inc.**

**Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2009**

**Section I - Summary of Auditors' Results**

**Financial Statements**

Type of auditors' report issued: unqualified

Internal control over financial reporting:

< Material weakness(es) identified?  yes  no

< Significant deficiency(ies) identified that are not considered to be material weaknesses?  yes  none reported

Noncompliance material to financial statements noted?  yes  no

**Federal Awards and State Awards**

Internal control over major programs:

< Material weakness(es) identified?  yes  no

< Significant deficiency(ies) identified that are not considered to be material weaknesses?  yes  none reported

Type of auditors' report issued on compliance for major programs and major projects: unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133 and the provisions of the Florida Single Audit Act in accordance Chapter 98-91 of the Laws of Florida and Section 215.97 of the Florida Statutes?  yes  no

**Identification of major programs:**

**CFDA Numbers**

93.558, 93.597, 93.669, 93.556, 93.659,  
93.778, 93.674, 93.599, 93.958, 93.658,  
93.667, 93.645

**Name of Federal Program or Cluster**

Foster Care

**CSFA Numbers**

80.005  
60.094  
80.016, 48.UNK

**Name of State Project**

Children and Families in Need of Services  
Community Based Care Supports

Delinquency Non-Secure Residential Services

Dollar threshold used to distinguish between type A and type B Federal programs: \$ 431,102

Dollar threshold used to distinguish between type A and type B State projects: \$ 360,133

Auditee qualified as low-risk auditee?  yes  no

**Section II - Financial Statement Findings**

None

### **Section III - Federal and State Awards Findings and Questioned Costs**

None

### **Section IV - Summary Schedule of Prior Audit Findings**

No schedule is presented or required in accordance with Rule 10.656(3)(d)6 of the Auditor General as there were no prior audit findings to be addressed.

### **Section V - Other**

No management letter is required because there were no findings to be reported in a management letter as required by Section 215.97 (8)(f) and 215.97 (9)(d) of the Florida Statutes, Auditor General Rule 10.654 (1)(e) or 10.656 (3)(e).